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**FILED**

JAN 10 2000

KEVIN E. O'BRIEN CLERK  
UNITED STATES  
BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA

10 **IN THE UNITED STATES BANKRUPTCY COURT**  
11 **FOR THE DISTRICT OF ARIZONA**

12 **In re:**

13 **LEEWARD HOTELS, L.P., an Arizona**  
14 **limited partnership,**

15 **Debtor.**

Chapter 11 Proceedings

Case No. B-99-09162-ECF-GBN

16 **STIPULATED INTERIM ORDER**  
17 **REGARDING CASH COLLATERAL**  
18 **[January 2000]**

19 This matter came before the Court initially on the "Motion to Use Cash Collateral" ("Motion")  
20 filed by the Debtor Leeward Hotels, L.P. ("Debtor"). A hearing was held on August 6, 1999 at which time the  
21 Court approved a "Stipulated Interim Order Regarding Cash Collateral" entered into between the Debtor and  
22 LaSalle/Lennar. The Court approved a second stipulated order on September 29, 1999, a third stipulated order  
23 on October 12, 1999, a fourth stipulated order on November 17, 1999 and a fifth stipulated order on December  
24 17, 1999. The parties have requested the Court to approve a sixth interim order on the following terms and  
25 conditions. Based on the parties' stipulation, the Court hereby finds, concludes and orders as follows:

- 26 1. Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code on August 2,  
27 1999. Debtor operates its business as a debtor-in-possession pursuant to 11 U.S.C. § 1107 and 1108.
- 28 2. Debtor owns and operates 10 hotel properties in which LaSalle/Lennar claims a first lien  
position interest (referred to as "Hotels") as follows:

Best Western Hallmark Inn  
3211 S. 4<sup>th</sup>  
Leavenworth County  
Leavenworth, Kansas 66048

Best Western, Ottawa  
2209 S. Princeton Rd.  
Franklin County  
Ottawa, Kansas 66067

Best Western Hallmark Inn, Olathe 211 N. Rawhide Dr. Johnson County Olathe, Kansas 66061	Abilene (Holiday Inn) Texas 1625 State Hwy. 351 Taylor County Abilene, Texas 79601
Best Western Hallmark, Liberty 209 N. M-291 Hwy. Clay County Liberty, Missouri 64068	Dallas Preston Suites 6104 LBJ Freeway Dallas County Dallas, Texas
Days Inn, Las Cruces 2600 S. Valley Dona Ana County Las Cruces, NM 88001	Plainview Holiday Inn 4005 Olton Rd. Hale County Plainview, Texas 79073
Abilene Ramada Inn, Texas 3450 S. Clack Taylor County Abilene, Texas 7960	Roundrock Ramada 11400 N. I-35 Williamson County Round Rock, Texas 78681

3. Without waiving any rights they may assert in the future as to whether certain funds generated by the Hotels constitute cash collateral, the parties agree that the Debtor may utilize income generated by the Hotels to pay for the expenses of the Hotels in accordance with the budgets attached hereto as Exhibit A ("Budgets"), with a variance of 5 percent for line items identified as "Repairs and Maintenance" and "Utilities."

Debtor may not use such income to pay for fees to any parties related to the Debtor with the exception of the amounts payable to Kilburg Management, L.L.C., pursuant to the current Management Agreement.

4. The Debtor agrees that income generated by the Hotels shall not be utilized to pay medical benefits or bonuses for administrative personnel of Kilburg Management, L.L.C.

5. In addition to the expenses itemized on the Budgets, Debtor shall be permitted to reserve effective September 1, 1999 a total amount of 5 percent of gross revenues per month ("Reserve") for minor capital expenditures. The Reserve shall be held by LaSalle/Lennar in a separate interest-bearing account. Debtor shall submit to LaSalle/Lennar any requests to expend monies from the Reserve. Lennar shall have 5 business days from the receipt of such request to respond. If LaSalle/Lennar consents to the expenditure or fails to respond timely, the Debtor may use the Reserve funds requested. Otherwise, Debtor shall be required to obtain consent or Court approval to utilize the funds.

6. Debtor agrees to provide to LaSalle/Lennar on a weekly basis a report including all expenditures for each of the Hotels in a form reasonably satisfactory to LaSalle/Lennar.

7. Debtor agrees to segregate in an interest-bearing account all income in excess of that expended in accordance with the Budgets and agrees further that it will not commingle the income from any of the Hotels with income generated by other properties owned by the Debtor.

8. Without waiving any rights regarding the extent, validity and priority of LaSalle/Lennar's asserted security interests in certain property of Debtor's estate, Debtor agrees to grant to LaSalle/Lennar a perfected first position lien on the income generated by the Hotels which the Debtor asserts is unencumbered to the extent of the use of any income from the Hotels in accordance with the Budgets during the term of this Stipulated Order.

9. This Stipulated Order shall expire at 5:00 p.m. February 17, 2000, unless otherwise extended by the Court. A hearing shall be held on the 17<sup>th</sup> day of Feb-, 2000, at 1:00 p.m. to consider the extended use of cash collateral.

DATED this 10<sup>th</sup> day of January, 2000.

Honorable George B. Nielsen, Jr.

APPROVED AS TO FORM AND CONTENT:

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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF ARIZONA

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KEVIN E. O'BRIEN  
CLERK OF COURT